

Message Text

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46

ACTION NEA-05

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R 291220Z APR 74

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

INFO SECSTATE WASHDC 9420

AMEMBASSY TEHRAN

AMEMBASSY BEIRUT POUCH

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BEIRUT FOR LEFEAVER

EO 11652: NA

TAGS: BMEP, EIND, ENRG: KU

SUBJ: EARLY WARNING: KUWAIT LPG PLANT

REF: KUWAIT 0101

1. EMBOFF DISCUSSED KUWAIT LPG PROJECT (SEE REFTEL AND EARLIER REPORTING) WITH BECHTEL REPS, WHO INVOLVED WITH DESIGN CONTRACT. THEY INDICATED THAT IT LOOKS AS THOUGH 12 TENDERS WILL BE ISSUED BETWEEN AUGUST AND OCTOBER AND COST OF PROJECT IS NOW ESTIMATED TO BE \$350 MILLION (NOT COUNTING LPG TANKERS WHICH WILL COST ABOUT AS MUCH OR A LITTLE MORE).

2. THREE EQUIPMENT TENDERS, RESPECTIVELY FOR COMPRESSORS DRIVERS AND BOILERS WILL BE ISSUED. BECHTEL REPS SAID THEY EXPECT AMERICAN DESIGN TO BE SPECIFIED. IN ADDITION THERE WILL BE INTERNATIONAL TENDERS ON THE BASIC PROCESS (\$100 MILLION), A SHIPPING PORT (\$50 MILLION), FIELD INSTALLATIONS (2-3 AT \$35 MILLION EACH), AND A PIPE LINE. IN ADDITION TO THESE INTERNATIONAL TENDERS THERE WILL BE THREE OR FOUR CONSTRUCTION TENDERS WHICH WILL BE AIMED ESSENTIALLY AT KUWAITI COMPANIES.

3. NOT YET KNOWN WHETHER INTERESTED COMPANIES ARE TO APPROACH THE MINISTRY OF FINANCE AND OIL DIRECTLY OR BECHTEL. WE SUGGEST,

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HOWEVER, THAT UNTIL THIS MATTER IS DECIDED ONE WAY OR THE OTHER

INTERESTED AMERICAN COMPANIES APPROACH BOTH THE MINISTRY AND BECHTEL. IN ADDITION THEY MAY WISH TO INFORM THE EMBASSY SO THAT WE WILL BE IN A POSITION TO FOLLOW UP. FYI: THE JAPANESE HAVE ALREADY BEEN VERY ACTIVE AND IT IS EXPECTED THAT THEY MAY TRY TO TIE SALES OF KUWAIT LPG IN JAPAN TO SALES OF JAPANESE EQUIPMENT AND SERVICES. END FYI.

4. ACTION REQUESTED: COMMERCE REQUESTED ALERT QUALIFIED AMERICAN FIRMS ABOUT THIS MAJOR TRADE OPPORTUNITY. HOWEVER UNTIL TENDERS ARE PUBLICLY ANNOUNCED COMMERCE SHOULD REFRAIN FROM PUBLICISING ABOVE INFO IN ITS MAGAZINES AND OTHER PUBLIC DOCUMENTS.
STOLTZFUS

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Message Attributes

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